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SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1943.

No. 240.

TRUMAN B. WAYNE,
Petitioner,

vs.

WILLIAM W. ROBINSON, JR., and THE TEXAS COMPANY,
Respondents.

PETITIONER'S REPLY BRIEF ON PETITION FOR WRIT OF CERTIORARI

To the United States Court of Appeals for the
District of Columbia.

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To the Honorable the Chief Justice and Associate Justices
of the Supreme Court of the United States:

That Respondents have gone outside the record (R. B. 2*) for facts to demonstrate the adversity with which Cannon (and those claiming under him) contested the case before the Patent Office Tribunals, and their "suggestion" (R. B. 9) that Petitioner is not in good faith, impels us to call the Court's attention to a recently revealed situation which establishes two matters of importance here.

*Respondents' Brief is herein, for brevity, referred to as "R. B."

1. There is no genuine adversity of interest between Respondents and Standard, but the two are co-operating to beat Wayne.

2. Respondents have known since 1936 that Standard Oil Development Company is "the patent holding agent" for Humble Oil & Refining Company, a Texas corporation.

When Respondents filed their complaint in the District Court (R. 1-5) we thought it strange that Standard Oil Development Company was alleged to be "the present owner of the title to said (Cannon) application" (R. 3). We knew that Cannon was an employee of Humble Oil & Refining Company, a Texas corporation, and hence presumed that Humble might be the owner of the Cannon application, although the records showed no assignment. Investigation after this suit was filed revealed, however, that an assignment from Cannon to Standard Oil Development Company had been recorded in the Patent Office (Liber P-189, page 605)* on November 4, 1941, two days before Respondents filed their complaint, but nearly a month after Petitioner had elected to have further proceedings conducted under R. S. 4915 (R. 4). It taxes credulity to suppose that Respondents, within the space of two days, could have seen the public record of the assignment in Washington, prepared the complaint in New York, and filed it in Washington. The circumstances suggested, at the time, that Standard was co-operating with Respondents to create a specious situation which might compel Petitioner to defend his award of priority in the District of Columbia rather than at his (and Humble's and Cannon's) home in Texas.

The supposition was taken out of this, however, when, on July 16, 1943, there came to light an agreement (copy

*Photostatic copy of such assignment is inserted at the end of the Appendix to this Brief.

of which is reproduced in the Appendix hereto) between The Texas Company, Standard Oil Development Company, and Humble Oil & Refining Company. This agreement was produced by Respondent, The Texas Company, in answer to an interrogatory in the case of Truman B. Wayne et al. v. The Texas Company, now pending in the United States District Court for the Southern District of Texas. The agreement recognizes that The Texas Company and Humble are both interested in drilling mud problems and their desire to co-operate (first recital, A-1*), and it recognized (second recital, A-1) that Standard Oil Development Company is "the patent holding agent for Humble." It then provided for exchange of royalty-free licenses (§ 2, A-23); exchange of operating, manufacturing and research information (which as to third parties would be confidential) and an agreement to share expense (§ 3, A-3); exchange of copies of patent applications, progress reports anent them, and restriction on abandonment of them (§ 6, A-5-6); settlement of interferences (§ 8, A-6-7). By supplementary agreement they agreed to split the royalties or proceeds from the patents involved (A-10). And finally, on August 7, 1941,† Respondent signed another supplemental agreement with Standard by which, inter alia, each was empowered to grant licenses under the other's "phosphate patent rights"*** (§ 5 and 6, A-16-17), and each covenanted not to sue the other for any future infringement of any phosphate patent rights.

Thus the series of agreements makes it clear that, as between Texas and Standard, it is tweedledum or tweedledee which one of them receives a patent.

It was only by virtue of Respondent The Texas Com-

*A-1, A-2, etc., indicate page numbers of the Appendix hereto.

†The Patent Office Board of Appeals rendered its decision August 4, 1941 (R. 4).

**The subject matter in issue here is the use of a hexameta phosphate in the treatment of drilling mud.

pany's inside knowledge of the Humble-Standard Oil Development Company relation that Respondents knew to allege Standard Oil Development Company as the present owner of the Cannon application. Had it not been for this inside knowledge this suit would, perforce, have been filed in Texas, even if Respondents had believed that Cannon (or the owner of his application) was an indispensable party to the cause. One not having the inside knowledge would have filed the suit in Texas and if he believed, as Respondents here contend, that Cannon was an indispensable party he could have named him as such, because he, like Wayne, resides within the Southern District of Texas; so does Humble, for which Standard is simply "the patent holding agent." It thus appears that Respondent Texas has not merely resorted to an artifice of posing a third party (Standard), who has no interest at stake, as a codefendant in the suit, but that such third party's "interest" is really in an entity (Humble) who, like Wayne and Cannon, could have been sued in Houston, Texas.

We think these facts demonstrate that the charge of bad faith was misdirected.

We agree with Respondents' assertion (R. B. 3) that "there is no issue here as to an exclusive licensee." The plain import of the passage of Justice Bailey's decision quoted by Respondents (R. B. 3) is that, since he agreed that an exclusive licensee was not an adverse party in a case such as this, so much less so must be Standard Oil Development Company, who is no licensee at all under the prevailing (Wayne) application.

None of the cases cited by Respondents (R. B. 4-7) presented the naked question of whether all of the losers in a multi-party interference are adverse parties within the meaning of R. S. 4915, except the District Court's decision in the case of Hazeltine Corp. v. White et al., 2 F. Supp. 94. Judge Galston's decision there is contrary to our con-

tention here, but it was based upon a dictum in *Cleveland Trust Co. v. Nelson et al.*, 51 F. (2d) 276.

It is clear from an examination of Judge Simons' decision in *Cleveland Trust Co. v. Nelson* that the real question involved was the constitutional jurisdiction of the Court to consider a case under R. S. 4915. What was said with reference to the adversity of interest between the plaintiff (a loser) and defendant, Nelson (another loser) was clearly *obiter dicta*, as was the statement that the Commissioner of Patents "is always a possible adverse party," the latter statement being clearly inconsistent with the ruling of the Court of Appeals for the District of Columbia in *Coe v. Hobart Mfg. Co.*, 102 F. (2d) 270, and *Tomlinson of High Point v. Coe*, 123 F. (2d) 65.

The *Hazeltine* case did not reach the Court of Appeals until after the bill of complaint had been amended to make all other losing parties defendants. The real question thus presented to the Court of Appeals and the only question necessary for its decision was that of jurisdiction of persons of the additional parties. Hence what was said by the Court of Appeals for the Second District in *Hazeltine v. White*, 68 F. (2d) 715, with reference to the question of adverse parties is *obiter dicta*. The Court of Appeals was no doubt largely influenced by the fact, which has no parallel here, that the other losing parties had in the meantime instituted suits under R. S. 4915 in the District of Columbia.

The quotation from *Shields v. Barrow*, 17 How. 130 (R. B. 7), has no application here because Standard has nothing at stake. It owns no interest in Wayne's invention; a final decree can be made without affecting any interest of Standard's (unless, pursuant to the agreements appended hereto, Standard may be considered as having an interest with Texas in the invention of Robinson, but in that case Standard's interest is not adverse to Respondents but in

accord with them). There being no adversity of interest between the plaintiff (Texas) and a named defendant (Standard), the presence of that named defendant cannot be determinative of venue.

In their comments with reference to the Report of the Congressional Committee on The Act of March 3, 1927 (R. B. 8), and in quoting from the closing paragraph thereof, Respondents **omit** three very important words, italicized below. The complete closing paragraph reads as follows:

“The committee believes that this amendment to Section 52 of the Judicial Code is necessary in order to simplify procedure in the courts where two or more parties claiming an interest *in a patent* reside in different jurisdictions.”

For two or more persons to claim “**an interest in a patent**” they must stand either as coinventors or part assignees or both, all deriving their title from the same act of inventing. This is in total contrast with the situation of Texas, Standard, and Wayne, whose conflicting claims were based upon separate and distinct acts of inventing. Respondent does not claim an interest in Wayne’s patent (in prospect). Neither did Standard. Respondent claims to be entitled to a wholly different patent, albeit for the same thing, but a patent for Robinson’s invention and not for Wayne’s. Standard did, in the Patent Office, claim to be entitled to a still different patent based upon Cannon’s invention. For parties to be “claiming an interest in a patent” requires that their titles be derived directly from the inventor who applied for that patent. They must claim under, not against, that inventor.

The case of Vietti et al. v. Wayne et al., decided by the Court of Appeals for the District of Columbia and discussed in Respondents’ Brief, involved a situation which we do not have here, namely, Cannon and Standard did

win something, i. e., on one claim or count, while here Cannon and Standard did not win anything. As the Court of Appeals said in that case, "there is an additional question"; that additional question is not involved in this case.

CONCLUSION.

We reassert that the Congress showed no intention of giving exclusive jurisdiction of cases of this sort (arising from interferences involving more than two conflicting parties of diverse residence) to the Courts of the District of Columbia. We insist that the Congress has shown no intention of making a private individual, like Wayne, subject to suit fifteen hundred miles from home, where such could be avoided. It is clear that such could have been avoided in the present situation.

Wherefore, we submit that the Petition should be granted.

Respectfully submitted,

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